
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 8.4.2009

Wall Street Journal: "Geithner Vents at Regulators as Overhaul Stumbles ... Treasury Secretary Timothy Geithner blasted top U.S. financial regulators in an expletive-laced critique last Friday as frustration grows over the Obama administration's faltering plan to overhaul U.S. financial regulation, according to people familiar with the meeting."

Wall Street Journal: "BofA Hit by Fine Over Merrill ... Bank of America Corp. agreed to pay \$33 million to settle a civil lawsuit alleging that it misled shareholders about billions of dollars in bonuses promised to Merrill Lynch & Co. employees when it bought the troubled firm at the height of the financial crisis last year."

Wall Street Journal, Stern: "Private Equity and the Banks ... They promise they'll play by the rules this time, that we can trust them, that they're looking out for taxpayers. But we've played that game before. And we learned ordinary Americans pay the price when financial markets are unregulated and overleveraged deals-which initially thrived-eventually go bust."

Wall Street Journal, Melloan: "Bernanke's Exit Dilemma ... The Fed's past record of judging when and how to use its tools for regulating the money supply is not impressive, particularly in times of economic distress. Its financing of large federal deficits in the mid-1970s sent inflation up to an annual rate approaching 15% before Jimmy Carter repented in October 1979 and installed Paul Volcker at the Fed with orders to kill the monster."

New York Times: "\$100 Million Payday Poses Problem for Pay Czar ... In a few weeks, the Treasury Department's czar of executive pay will have to answer this \$100 million question: Should Andrew J. Hall get his bonus?"

New York Times: "U.K. Regulator Scrutinizing High-Frequency Trading ... Britain's financial regulator is examining the impact of high-frequency trading, a controversial investing strategy that is also being investigated by the Securities and Exchange Commission."

New York Times: "A.I.G. Taps Former Chief of MetLife ... The American International Group has found another executive willing to come out of retirement to take on the thankless task of leading a troubled insurer that was brought to the brink of financial collapse before being rescued through multibillion-dollar bailouts from the government."

Washington Post: "Dueling Public Interests In Policing Rescued Firms ... Late last month, the Securities and Exchange Commission was poised to file suit against a subsidiary of Alabama-based Regions Financial for selling nearly \$1 billion in troubled investments. But the agency faced a new dilemma: Regions was on the list of the nation's most troubled large banks and had received \$3.5 billion in taxpayer aid. SEC officials considered that filing suit to force Regions to buy back the troubled investments could hurt the bank. Should the agency act, or should it hold off to protect the government's investment?"

Washington Post, Sloan: "Few Gains, Big Losses ... One of the things they teach in Successful Investing 101 is to cut your losses short and let your winnings run. But when it comes to the Troubled Assets Relief Program, the government is stuck doing the opposite -- its gains are being cut short because its most profitable investments are being closed out, but its losses continue running."

USA Today: "Some credit union loans are not a good deal ... Short-term loans offered by some credit unions as alternatives to high-cost payday loans are as risky and deceptive as those they're supposed to replace, some consumer groups say."

USA Today: "Several loan servicers have not modified a single loan ... Only 15% of homeowners eligible for the Obama administration's \$50 billion loan modification program have been offered help so far."

Los Angeles Times: "TARP case leads to search of bank and lender's Florida offices ... Colonial Bank and mortgage provider Taylor, Bean & Whitaker had an unusual deal intended to help the bank obtain funding from the Treasury's bank rescue program."

Reuters: "Bank regulators dig in against Obama shake-up ... Top U.S. bank regulators will speak out on Tuesday against some key elements of the Obama administration's plan to reshape financial regulation, saying parts of it were unneeded or could be disruptive."

Bloomberg: "Bank of America CEO Scrum Begins as Lewis Revamps Management ... Bank of America Corp., under pressure to overhaul management and reduce risk, set up a five-person competition to replace Kenneth Lewis as chief executive officer."

The Hill: "Mortgage bill could be revived ... Senate Majority Whip Dick Durbin (D-Ill.) said on Monday that if the financial industry is not able to complete 500,000 mortgage modifications by November he would pursue legislation ratcheting up the pressure on the industry."

The Hill: "Treasury offers lawmakers August talking points ... The Treasury Department is circulating talking points to lawmakers headed home for the August recess as a way to round up support for President Barack Obama's plan to overhaul the financial system."